

HOUSE BILL REPORT

HB 1665

As Reported by House Committee On: Labor & Workforce Development

Title: An act relating to requests for funds necessary to implement the compensation and fringe benefit provisions of bargaining agreements with the University of Washington under chapter 41.80 RCW

Brief Description: Establishing procedures for requesting the funds necessary to implement the compensation and fringe benefit provisions of bargaining agreements with the University of Washington under chapter 41.80 RCW.

Sponsors: Representatives Fitzgibbon, Sells, Carlyle, Seaquist and Roberts.

Brief History:

Committee Activity:

Labor & Workforce Development: 2/8/11, 2/15/11 [DPS].

Brief Summary of Substitute Bill

- Changes the process for requests for funds to implement the compensation and fringe benefit provisions of collective bargaining agreements between the University of Washington and representatives of classified employees.

HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Sells, Chair; Reykdal, Vice Chair; Green, Kenney, Miloscia, Moeller, Ormsby and Roberts.

Minority Report: Do not pass. Signed by 5 members: Representatives Condotta, Ranking Minority Member; Shea, Assistant Ranking Minority Member; Fagan, Taylor and Warnick.

Staff: Jill Reinmuth (786-7134).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background:

The Personnel System Reform Act (PSRA) provides for collective bargaining between institutions of higher education and representatives of classified employees. The PSRA also outlines a process for the Governor to submit, and the Legislature to consider, requests for funds to implement the compensation and fringe benefit provisions of agreements.

The Governor must submit a request to the Legislature, but not unless two conditions are met. First, the request must be submitted to the Director of the Office of Financial Management (Director) by October 1 prior to the legislative session at which the request is to be considered. Second, the request must be certified by the Director as being financially feasible for the state.

The Legislature must approve or reject the request as a whole. The Legislature must not consider the request unless it is transmitted to the Legislature as part of the Governor's budget. If the Legislature rejects or fails to act on the submission, either party may reopen all or part of the agreement, or the exclusive bargaining representative may seek to implement mediation and fact-finding procedures.

Summary of Substitute Bill:

Two changes are made to the process for requests for funds to implement the compensation and fringe benefit provisions of agreements. These changes apply only in the case of agreements between the University of Washington and representatives of classified employees.

The Governor must submit a request to the Legislature only if appropriations of \$10,000 or more are necessary.

If the Director of the Office of Financial Management does not certify a request as being feasible financially, the parties must enter into collective bargaining solely for the purpose of reaching a mutually agreed upon modification to address the absence of requested funds.

Substitute Bill Compared to Original Bill:

The substitute bill makes no changes to the October 1 deadline for submitting requests for funds to implement bargaining agreements to the Office of Financial Management (the original bill changed the date to November 1).

Appropriation: None.**Fiscal Note:** Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill will help with negotiations between the University of Washington and one of its bargaining units. It would treat University of Washington contracts with minimal state funding in the same manner as those that involve no state funding.

Last year, the Office of Financial Management declared some agreements to be financially infeasible. Others that were fully funded with federal grants and medical funds were not deemed to be financially infeasible, and were able to proceed.

One agreement in the medical sector had a General Fund price tag of \$3,300 out of a base of over \$4 million. This contract was considered financially infeasible, and was not able to proceed. The costs of the administrative difficulties and the disruption of budget plans outweighed the state funds involved in the agreement. The parties looked at a variety of alternatives, and believe that this bill is the best solution.

(Opposed) None.

Persons Testifying: Representative Fitzgibbon, prime sponsor; Margaret Shepherd, University of Washington; and Adair Dammann, Service Employees International Union Local 925.

Persons Signed In To Testify But Not Testifying: None.